



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

A-570-909

Certain Steel Nails from the People's Republic of China; Final Results of Third Antidumping Duty Administrative Review; 2010-2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("the Department") published its *Preliminary Results* of the antidumping duty order on certain steel nails from the People's Republic of China ("PRC") on September 4, 2012.¹ The period of review ("POR") is August 1, 2010, through July 31, 2011. We gave interested parties an opportunity to comment on the *Preliminary Results*. Based upon our analysis of the comments and information received, we made changes to the margin calculations for these final results. The final dumping margins are listed below in the "Final Results of the Review" section of this notice.

EFFECTIVE DATE: (insert date of publication in the *Federal Register*).

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¹ See *Certain Steel Nails from the People's Republic of China: Preliminary Results and Partial Rescission of the Third Antidumping Duty Administrative Review*, 77 FR 53845 (September 4, 2012) ("*Preliminary Results*").

SUPPLEMENTARY INFORMATION:

Background

On September 4, 2012, the Department published the *Preliminary Results* of this administrative review.² The Department extended the deadline based on requests from interested parties, once for submission of case briefs and twice for rebuttal briefs.³ On September 24, 2012, and October 2, 2012, interested parties submitted surrogate value (“SV”) comments and SV rebuttal comments.^{4,5} On October 19, 2012, Petitioner, Stanley⁶, Hongli⁷, and Itochu⁸ submitted case briefs.⁹ On October 26, 2012, Petitioner, Stanley, Itochu, and Hongli submitted rebuttal briefs.¹⁰

As explained in the memorandum from the Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of

² See *id.*

³ See Memorandum for All Interested Parties, “Antidumping Administrative Review of Certain Steel Nails from the People’s Republic of China: Revised Case and Rebuttal Briefs Schedule,” (September 13, 2012); see also, Memorandum to the File, Antidumping Administrative Review of Certain Steel Nails from the People’s Republic of China: Revised Case and Rebuttal Briefs Schedule, (October 26, 2012).

⁴ See “Itochu Building Products Co., Inc. and Tianjin Jinghai County Hongli Industry & Business Co., Ltd., (“GDLSK Respondents”) Post-Preliminary Surrogate Value Submission: Third Antidumping Duty Administrative Review of Certain Steel Nails from the People’s Republic of China,” (September 24, 2012); “Stanley’s Certain Steel Nails from the People’s Republic of China, Third Administrative Review; Post-Preliminary Results Surrogate Value Data,” (September 24, 2012); and “Mid-Continent Nail Corporation’s (“Petitioner”)’s Post-Preliminary Surrogate Value Submission,” (September 24, 2012).

⁵ See “GDLSK Respondents’ Post-Preliminary Surrogate Value Rebuttal Submission: Third Antidumping Duty Administrative Review of Certain Steel Nails from the People’s Republic of China,” (October 2, 2012); “Stanley’s Certain Steel Nails from the People’s Republic of China, Third Administrative Review; Post-Preliminary Results Rebuttal Surrogate Value Submission,” (October 2, 2012); and “Petitioner’s Certain Steel Nails from the People’s Republic of China: Submission of Rebuttal Surrogate Value Information” (October 2, 2012).

⁶ The Stanley Works (Langfang) Fastening Systems Co., Ltd., and Stanley Black & Decker, Inc. (collectively “Stanley”).

⁷ Tianjin Jinghai County Hongli Industry & Business Co., Ltd. (“Hongli”).

⁸ Itochu Building Products Co., Ltd. (“Itochu”).

⁹ See Stanley’s Case Brief, (October 19, 2012); Itochu’s and Hongli’s Case Brief, (October 19, 2012); and Petitioner’s Case Brief, (October 19, 2012).

¹⁰ See Petitioners’ Rebuttal Brief, (October 26, 2012); Stanley’s Rebuttal Brief, (October 26, 2012); and Itochu’s and Hongli’s Rebuttal Brief, (October 26, 2012).

the closure of the Federal Government from October 29, through October 30, 2012.¹¹ Thus, all deadlines in this segment of the proceeding have been extended by two days.¹² Additionally, on December 11, 2012, the Department extended the deadline in this proceeding by 60 days.¹³ The revised deadline for the final results of this review is now March 5, 2013.

Scope of the Order

The merchandise covered by the order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails subject to the order are currently classified under the Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.55, 7317.00.65 and 7317.00.75. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.¹⁴

For a full description of the scope, *see* “Certain Steel Nails from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the Third Antidumping Duty Administrative Review,” dated concurrently with this notice (“Issues and Decision Memorandum”).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties are addressed in the Issues and Decision Memorandum. A list of the issues which parties raised is attached to this notice as Appendix I. The Issues and Decision Memorandum is a public document and is on file in the Central Records Unit (“CRU”), Room 7046 of the main Department of Commerce building, as

¹¹ See Memorandum to the Record from Paul Piquado, Assistant Secretary for Import Administration, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Hurricane; (October 31, 2012).

¹² See Memorandum to the Record from Paul Piquado, AS for Import Administration, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Hurricane Sandy”; (October 31, 2012).

¹³ See Memorandum to Christian Marsh, “Certain Steel Nails from the People’s Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated December 11, 2012.

¹⁴ See *Notice of Antidumping Duty Order: Certain Steel Nails From the People’s Republic of China*, 73 FR 44961 (August 1, 2008).

well as electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the CRU. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Final Partial Rescission

In the *Preliminary Results*, the Department preliminarily rescinded the review with respect to 12 companies.¹⁵ These companies reported that they had no shipments of subject merchandise to the United States during the POR. As we stated in the *Preliminary Results*, our examination of shipment data from U.S. Customs and Border Protection ("CBP") confirmed that there were no entries of subject merchandise made by these companies during the POR.¹⁶ Subsequent to the *Preliminary Results*, the Department did not receive any comments or information which indicated that these twelve companies made sales of subject merchandise to the United States during the POR. Therefore, pursuant to 19 CFR 351.213(d)(3), we are rescinding the administrative review with respect to these 12 companies.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we have made certain revisions to the margin calculations for Stanley

¹⁵ These companies include: 1) Jining Huarong Hardware Products Co., Ltd.; 2) Chiieh Yung Metal Ind. Corp.; 3) CYM (Nanjing) Nail Manufacture Co., Ltd.; 4) Qidong Liang Chyuan Metal Industry Co., Ltd.; 5) Certified Products International Inc. ("CPI"); 6) Besco Machinery Industry (Zhejiang) Co., Ltd.; 7) China Staple Enterprise (Tianjin) Co., Ltd.; 8) Zhejiang Gem-Chun Hardware Accessory Co., Ltd.; 9) PT Enterprise Inc.; 10) Shanxi Yuci Broad Wire Products Co., Ltd.; 11) Hengshui Mingyao Hardware & Mesh Products Co., Ltd. ("Hengshui Mingyao"); and, 12) Union Enterprise (Kunshan) Co., Ltd, collectively "No Shipment Respondents."

¹⁶ See *Preliminary Results*, 77 FR at 53846.

and Hongli. For the reasons explained in the Issues and Decision Memorandum at Comment 1, we have now selected Thailand as the primary surrogate country.^{17, 18}

Non-Market Economy Country

The PRC has been treated as a non-market economy (“NME”) in every proceeding conducted by the Department. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME shall remain in effect until revoked by the administering authority. The Department has not revoked the PRC’s status as an NME and, accordingly, applied the NME methodology.

Separate Rates

In our *Preliminary Results*, we determined that nineteen companies¹⁹, including Stanley and Hongli, met the criteria for separate rate status.²⁰ We have not received any information since the issuance of the *Preliminary Results* that provides a basis for reconsideration of these determinations. Therefore, the Department continues to find that the companies listed above meet the criteria for a separate rate.

¹⁷ See Issues and Decision Memorandum and the company-specific analysis memoranda. See Memorandum to the File, “Analysis for the Final Results of the Third Administrative Review of Certain Steel Nails from the People’s Republic of China: Stanley,” (March 5, 2012); See Memorandum to the File, “Analysis for the Final Results of the Third Administrative Review of Certain Steel Nails from the People’s Republic of China: Hongli,” (March 5, 2012).

¹⁸ See Memorandum to the File, “Certain Steel Nails from the People’s Republic of China: Surrogate Values for the Final Results,” (March 5, 2013) (“Surrogate Values Memorandum”).

¹⁹ These companies include: Cana (Tianjin) Hardware Industrial Co., Ltd.; Shanghai Curvet Hardware Products Co., Ltd.; Huanghua Jinhai Hardware Products Co., Ltd.; Shanxi Tianli Industries Co., Ltd.; Shanghai Jade Shuttle Hardware Tools Co., Ltd.; Shandong Dinglong Import & Export Co., Ltd.; Tianjin Jinchi Metal Products Co., Ltd.; Huanghua Xionghua Hardware Products Co., Ltd.; Tianjin Zonglian Metals Ware Co., Ltd.; Shanghai Yueda Nails Industry Co., Ltd.; Hebei Cangzhou New Century Foreign Trade Co., Ltd.; Zhaoqing Harvest Nails Co., Ltd.; Mingguang Abundant Hardware Products Co., Ltd.; Nanjing Yuechang Hardware Co., Ltd.; S-Mart (Tianjin) Technology Development Co. Ltd.; SDC International Australia Pty., Ltd.; Shanxi Hairui Trade Co., Ltd.; Guangdong Foreign Trade Import & Export Corporation; and Qingdao D&L Group Ltd.

²⁰ See *Preliminary Results*, 77 FR at 53845.

Rate for Non-Selected Companies

In the *Preliminary Results*, and consistent with the Department's practice,²¹ we assigned the separate-rate companies a rate calculated for the mandatory respondents whose rates were not zero, *de minimis*, or based entirely on facts available.²² For the final results, we continue to find this approach to be consistent with the intent of section 735(c)(5)(A) of the Act and our use of section 735(c)(5)(A) of the Act as guidance when we establish the rate for respondents not examined individually in an administrative review.

PRC-Wide Rate and PRC-Wide Entity

For the PRC-Wide Entity, the Department used the PRC-wide rate of 118.04 percent from the most recently completed administrative review of this antidumping order.²³ Because this rate is the same as the PRC-Wide rate from previous reviews in this proceeding and nothing on the record of the instant review calls into question the reliability of the PRC-Wide rate, we find it appropriate to continue to apply the PRC-Wide rate of 118.04 percent.²⁴

In the *Preliminary Results*, the Department determined that those companies which did not demonstrate eligibility for a separate rate are properly considered part of the PRC-Wide Entity. Since the *Preliminary Results*, none of the companies which did not file separate-rate applications or certifications submitted comments regarding these findings. Therefore, we

²¹ See *Certain Frozen Warmwater Shrimp From the Socialist Republic of Vietnam: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 73 FR 52273, 52275 (September 9, 2008) and accompanying Issues and Decision Memorandum at Comment 6.

²² See, e.g., *Fourth Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Preliminary Results, Preliminary Partial Rescission of Antidumping Duty Administrative Review and Intent Not To Revoke, In Part*, 75 FR 11855, 11859 (March 12, 2010).

²³ See *Certain Steel Nails from the People's Republic of China: Final Results and Final Partial Rescission of Second Administrative Review*, 77 FR 12556 (March 1, 2012).

²⁴ See *Administrative Review of Certain Frozen Warmwater Shrimp From the People's Republic of China: Final Results and Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 51940, 51942 (August 19, 2011) (where the Department used the PRC-wide rate from the previous review).

continue to treat these entities as part of the PRC- Wide Entity. The following companies did not apply for separate rates and are thus considered to be part of the PRC-Wide Entity:

1) Aironware (Shanghai) Co., Ltd.
2) Beijing Hong Sheng Metal Products Co., Ltd.
3) Beijing Hongsheng Metal Products Co., Ltd.
4) Dagang Zhitong Metal Products Co., Ltd.
5) Faithful Engineering Products Co., Ltd.
6) Hebei Minmetals Co., Ltd. ²⁵
7) Hong Kong Yu Xi Co., Ltd.
8) Huanghua Shenghua Hardware Manufactory Factory
9) Huanghua Xinda Nail Production Co., Ltd.
10) Huanghua Yuftai Hardware Products Co., Ltd.
11) Senco-Xingya Metal Products (Taicang) Co., Ltd.
12) Shanghai Seti Enterprise International Co., Ltd.
13) Shanghai Tengyu Hardware Tools Co., Ltd.
14) Shanxi Tianli Enterprise Co., Ltd.
15) Shaoxing Chengye Metal Producting Co., Ltd.
16) Shouguang Meiqing Nail Industry Co., Ltd.
17) Suntec Industries Co., Ltd.
18) Suzhou Xingya Nail Co., Ltd.
19) Suzhou Yaotian Metal Products Co., Ltd.
20) Shandex Industrial Inc.
21) Tianjin Chentai International Trading Co., Ltd.
22) Tianjin Jurun Metal Products Co., Ltd.
23) Tianjin Xiantong Material & Trade Co., Ltd.
24) Tradex Group, Inc.
25) Wintime Import & Export Corporation Limited of Zhongshan
26) Wuhu Shijie Hardware Co., Ltd.

²⁵ Hebei, submitted an untimely no shipment certification that the Department has rejected. Therefore, this company is considered to be part of the PRC-Wide Entity. *See Preliminary Results*, 77 FR at 53846. *See also* letter to Hebei, “Certain Steel Nails from the People’s Republic of China (“PRC”): Rejection of Untimely Certification of No Shipments,” dated July 16, 2012.

27) Wuhu Sin Lan De Industrial Co., Ltd.
28) Wuxi Chengye Metal Products Co., Ltd.
29) Xuzhou CIP International Group Co., Ltd.
30) Yitian Nanjing Hardware Co., Ltd.

Final Results of the Review

The dumping margins for the POR are as follows:

Manufacturer/Exporter	Weighted Average Margin (Percent)
1) The Stanley Works (Langfang) Fastening Systems Co., Ltd. and Stanley Black & Decker	0.00
2) Tianjin Jinghai County Hongli Industry and Business Co., Ltd. (“Hongli”)	33.40
3) Certified Products International Inc.	33.40
4) Cana (Tianjin) Hardware Industrial Co., Ltd.	33.40
5) Shanghai Curvet Hardware Products Co., Ltd.	33.40
6) Huanghua Jinhai Hardware Products Co., Ltd.	33.40
7) Shanxi Tianli Industries Co., Ltd.	33.40
8) Shanghai Jade Shuttle Hardware Tools Co., Ltd.	33.40
9) Shandong Dinglong Import & Export Co., Ltd.	33.40
10) China Staple Enterprise (Tianjin) Co., Ltd.	33.40
11) Tianjin Jinchi Metal Products Co., Ltd.	33.40
12) Huanghua Xionghua Hardware Products Co., Ltd.	33.40
13) Tainjin Zhonglian Metals Ware Co., Ltd.	33.40

14) Shanghai Yueda Nails Industry Co., Ltd.	33.40
15) Hebie Cangzhou New Century Foreign Trade Co., Ltd.	33.40
16) Zhaoqing Harvest Nails Co., Ltd.	33.40
17) Mingguan Abundant Hardware Products Co., Ltd.	33.40
18) Nanjing Yuechang Hardware Co., Ltd.	33.40
19) S-Mart (Tianjin) Technology Development Co., Ltd.	33.40
20) SDC International Australia Pty., Ltd.	33.40
21) Shanxi Hairui Trade Co., Ltd.	33.40
22) Guangdong Foreign Trade Import & Export Corporation	33.40
23) Qingdao D&L Group Ltd.	33.40
PRC-Wide Rate	118.04

Assessment Rates

The Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. The Department intends to issue assessment instructions to CBP 15 days after the publication date of these final results of this review. In accordance with 19 CFR 351.212(b)(1), we are calculating importer- (or customer-) specific assessment rates for the merchandise subject to this review. In these preliminary results, the Department applied the assessment rate calculation method adopted in *Final Modification for Reviews*, *i.e.*, on the basis of monthly average-to-average comparisons using only the transactions associated with that importer with offsets being provided for non-dumped

comparisons.²⁶ Where the respondent has reported reliable entered values, we calculate importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer). Where an importer- (or customer-) specific *ad valorem* rate is greater than *de minimis*, we will apply the assessment rate to the entered value of the importers'/customers' entries during the POR, pursuant to 19 CFR 351.212(b)(1).

Where we do not have entered values for all U.S. sales to a particular importer/customer, we calculate a per-unit assessment rate by aggregating the antidumping duties due for all U.S. sales to that importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).²⁷ To determine whether the duty assessment rates are *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer- (or customer-) specific *ad valorem* ratios based on the estimated entered value. Where an importer- (or customer-) specific *ad valorem* rate is zero or *de minimis*, we will instruct CBP to liquidate appropriate entries without regard to antidumping duties.²⁸

For the companies receiving a separate rate that were not selected for individual review, we will assign an assessment rate based on the rate we calculated for the mandatory respondent whose rate was not *de minimis*, as discussed above. We intend to instruct CBP to liquidate entries containing subject merchandise exported by the PRC-wide entity at the PRC-wide rate. Finally, for those companies for which this review has been rescinded, the Department intends to assess antidumping duties at rates equal to the cash deposit of estimated antidumping duties

²⁶ See *Antidumping Proceeding: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8103 (February 14, 2012) (“*Final Modifications for Reviews*”).

²⁷ See 19 CFR 351.212(b)(1).

²⁸ See 19 CFR 351.106(c)(2).

required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(2).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) For the exporters listed above, the cash deposit rate will be the rate established in the final results of review (except, if the rate is zero or *de minimis*, i.e., less than 0.5 percent, a zero cash deposit rate will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have a separate rate, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 118.04 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. The deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Notification to Importers Regarding The Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement

could result in the Department's presumption that reimbursement of antidumping duties has occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

Dated: March 5, 2013.

Appendix I – Issues and Decision Memorandum
General Issues

- COMMENT 1: SELECTION OF SURROGATE COUNTRY
- A. Economic Comparability
 - B. Significant Producer
 - C. Reliability of Data from Ukraine
 - D. Data Considerations
 - a. Parties' Contentions: Surrogate Financial Ratios
 - b. Parties' Contentions: Steel Plate
 - c. Parties' Contentions: Steel Wire Rod
 - d. Parties' Contentions: Labor
- COMMENT 2: CALCULATION ADJUSTMENTS TO THE SURROGATE FINANCIAL RATIOS
- A. L.S. Industry
 - B. Bangkok Fastening
- COMMENT 3: MISCELLANEOUS SURROGATE VALUES
- A. Hot-Dipped Galvanized Wire
 - B. Metal Dies
 - C. Zinc Chloride
 - D. Sodium Chloride
 - E. Sodium Sulfate
 - F. Ammonium Citrate
 - G. Plastic Quick Lock Tags
 - H. Volatile Anti-Corrosion Paper
 - I. Borax Powder
 - J. Chemical-based Nail Coating
 - K. Glass Balls
 - L. Hydrochloric Acid
 - M. Sodium Bicarbonate
 - N. Trisodium Phosphate
 - O. Corrugated Cardboard Tray
 - P. Plastic Core
 - Q. Plastic Strapping
 - R. Brokerage and Handling

Respondent-Specific Issues

- COMMENT 4: VALUATION OF HONGLI'S DIES
- COMMENT 5: APPLICATION OF PARTIAL ADVERSE FACTS AVAILABLE TO HONGLI'S FACTORS OF PRODUCTION("FOP")
- COMMENT 6: REPORTING OF STANLEY'S MOVEMENT COSTS
- COMMENT 7: STANLEY'S INLAND FREIGHT

[FR Doc. 2013-06173 Filed 03/15/2013 at 8:45 am; Publication Date: 03/18/2013]